Proposal for Spring Quarter 2010
Stanford Global Entrepreneurial Marketing Course

Asian Reseller Channels

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Videre Design wants to work with creative, innovative marketers to craft a fresh strategy for distribution channel expansion in the Asian market for our robotics and industrial vision business.

Why Should You Join This Project?
This project will provide you with the experience of developing a global strategy and plan that will have a major impact on the direction and success of a company that has, until now, succeeded through word-of-mouth and web searches.

About Videre Design
Videre is a 10-year old, local, small business delivering advanced, economical, lab-ready mobile robots and stereo cameras primarily to the Research, Education and Commercial Applications markets. Videre has an extensive client base including Toyota, Deere, IBM, MIT, CMU, NOAA, and Willow Garage, as well as most universities that study vision and robotics in over 40 countries. Roughly half of our business is outside the United States.

The Challenge
Videre’s success has been fueled by word-of-mouth networks and web searches. Sales have shown consistent but moderate growth over the last several years and the reseller channel has grown organically. Now we are ready to focus on increasing the effectiveness of our resellers. The company has the manufacturing capacity to deliver three times the volume currently being sold. We are looking for a strategy and plan to significantly increase sales through an expanded distribution channel in the Asian market. The plan should take into consideration that marketing funds will be limited at first, and thus leverage internet opportunities as much as possible.

Background
- **Products:** Videre Design delivers mobile robots and cameras (industrial vision systems) in the mid-market. Customers choose Videre because of the advanced software and fully integrated designs which yield high performance systems. The products are customizable, which is very important in research environments. Although our cameras can be used as an accessory to our robots, most customers buy one or the other, but not both.
- **Current Market:** Videre currently sells into low volume lab environments in the education and R&D markets. Customers typically purchase fewer than three units for use in prototyping, research, or laboratory applications. Although sales in this market have been good, we believe we have only penetrated 10% of the market due to minimal marketing. We are looking for strategically focused marketing through our resellers to significantly increase sales in this market.

- **Potential New Markets:** We believe there may be opportunity to expand into new markets such as OEM, security, autonomous vehicles, classroom equipment, agriculture and fisheries, medical, athletic performance analysis, and commercial applications.

- **Marketing:** Primarily word-of-mouth, web searches and Google ads. One of the founders of Videre (and designer of our products) is a well-known robotics expert. His visibility in the industry has contributed to the awareness and interest in Videre Design’s products.

- **Manufacturing:** Products are made to order at our Menlo Park offices.

- **Distribution:** In the US, distribution is all direct. Outside of the US, distribution is both direct and via resellers. We currently have a dozen active resellers carrying our products.

**Project Opportunity**

The opportunity for Stanford GEM students is to develop a marketing strategy and plan to increase sales through our Asian reseller channels. Suggested steps:

1. Contact the top resellers in Japan, Indonesia, China, Taiwan, South Korea, and Singapore
2. Investigate how resellers operate and what support they provide and expect:
   a. How do they reach their customers (e.g., email, newsletters, conferences)?
   b. What level and type of technical support do they provide to their customers?
   c. What are the standard margins? Volume discounts? Competitors’ discounts?
   d. What do they want from us (e.g., translated documents, case studies, demos)?
   e. Do they want to collaborate with us (e.g., new products, marketing collateral)?
3. Propose the ideal kit for a reseller (e.g., demo kit, application videos)
4. Develop a compensation strategy for resellers

The issues should be coordinated and integrated into a single plan. Videre Design intends to implement the plan immediately, so recommendations should be explicit, innovative, and realistic for a small company. We encourage creative, new thinking, and experimental ideas.

Final deliverable may be in PowerPoint or written, with a presentation and discussion session at the conclusion. Please site all references.

**Resources Available**

- Historical customer and distribution data
- Recent customer and reseller surveys
- Menlo Park location, including manufacturing and customer support
- Access to Videre founders, employees, and resellers

**Contact Information**

We are excited to work with you, and happy to discuss the project as you evaluate the opportunity. If you have questions, please contact Janet McLaughlin at janet@videredesign.com. Thank you for considering Videre Design.